

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM8206

Related Change Request (CR) #: CR 8206

Related CR Release Date: February 22, 2013

Effective Date: April 1, 2013

Related CR Transmittal #: R1194OTN

Implementation Date: April 1, 2013

Multiple Procedure Payment Reduction (MPPR) for Selected Therapy Services

Provider Types Affected

This MLN Matters® Article is intended for physicians, non-physician practitioners, and providers submitting claims to Medicare contractors (carriers, Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and Part A/B Medicare Administrative Contractors (A/B MACs) for therapy services provided to Medicare beneficiaries that are paid under the Medicare Physician Fee Schedule (MPFS) or paid at the physician fee schedule rate.

Provider Action Needed

This article is based on Change Request (CR) 8206, which informs Medicare contractors that Section 633 of the American Taxpayer Relief Act of 2012 increased the Multiple Procedure Payment Reduction (MPPR) on selected therapy services to 50 percent for both office and institutional settings. This is effective for claims with dates of service on or after April 1, 2013. Make sure that your billing staffs are aware of this update.

Background

Effective January 1, 2011, Medicare applied an MPPR to the Practice Expense (PE) payment of select therapy services paid under the physician fee schedule or paid at the physician fee schedule rate.

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Currently, the reduction is 20 percent for therapy services furnished in office and other non-institutional settings, and 25 percent for therapy services furnished in institutional settings. Effective for claims with dates of service April 1, 2013, and after, Section 633 of the American Taxpayer Relief Act of 2012 revised the reduction to 50 percent for all settings.

Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. The MPPR applies to the PE payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures. Full payment is made for the unit or procedure with the highest PE payment. Effective for claims with dates of service on or after April 1, 2013, full payment is made for work and malpractice and 50 percent payment is made for the PE for subsequent units and procedures, furnished to the same patient on the same day.

For therapy services furnished by a group practice or “incident to” a physician’s service, the MPPR applies to all services furnished to a patient on the same day, regardless of whether the services are provided in one therapy discipline or multiple disciplines, e.g., Physical Therapy (PT), Occupational Therapy (OT), or Speech-Language Pathology (SLP).

The reduction applies to the Healthcare Common Procedure Coding System (HCPCS) codes contained on the list of “always therapy” services that are paid under the physician fee schedule, regardless of the type of provider or supplier that furnishes the services (e.g., hospitals, Home Health Agencies (HHAs), and Comprehensive Outpatient Rehabilitation Facilities (CORFs), etc.) For professional claims, the MPPR applies to the procedures with a Multiple Procedure (Field 21) value of “5” on the Medicare Fee Schedule Database (MFSDB). For institutional claims, the MPPR applies to procedures with a Multiple Services Indicator (field labeled MULTSURG) value of “5” on the therapy abstract file. Note that these services are paid with a non-facility PE. The current and revised payments are shown in the example in the following table:

Sample Payment Calculation						
	Procedure 1 Unit 1	Procedure 1 Unit 2	Procedure 2	Total Current Payment	Revised Total Payment	Revised Payment Calculation
Work	\$7.00	\$7.00	\$11.00	\$25.00	\$25.00	no reduction
PE	\$10.00	\$10.00	\$8.00	\$23.50	\$19.00	$\$10 + (.50 \times \$10) + (.50 \times \$8)$
MP	\$1.00	\$1.00	\$1.00	\$3.00	\$3.00	no reduction
Total	\$18.00	\$18.00	\$20.00	\$51.50	\$47.00	$\$18 + (\$18 - \$10) + (.50 \times \$10) + (\$20 - \$8) + (.50 \times \$8)$

Note: The Total Current Payment reflects the 25% reduction for institutional services.

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Additional Information

The official instruction, CR8206, issued to your carrier, FI, RHHI, or A/B MAC regarding this change, may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R11940TN.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, RHHI, or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

News Flash - Flu Season Isn't Over – Continue to Recommend Vaccination - While each flu season is different, flu activity typically peaks in February. Yet, even in February, the flu vaccine is still the best defense against the flu. The [CDC](#) recommends yearly flu vaccination for everyone 6 months of age and older; and although anyone can get the flu, adults 65 years and older are at greater risk for serious flu-related complications that can lead to hospitalization and death. Every office visit is an opportunity to check your patients' vaccination status and encourage flu vaccination when appropriate. And getting vaccinated is just as important for health care personnel who can get sick with the flu and spread it to family, colleagues and patients. Be an example by getting your flu vaccine and know that you're helping to reduce the spread of flu in your community. Note: influenza vaccines and their administration fees are covered Part B benefits. Influenza vaccines are NOT Part D-covered drugs. *For More Information:*

- 2012-2013 [Seasonal Influenza Vaccines Pricing](#).
- [MLN Matters® Article MM8047](#), "Influenza Vaccine Payment Allowances - Annual Update for 2012-2013 Season."
- [CMS Medicare Learning Network® 2012-2013 Seasonal Influenza Virus Educational Products and Resources](#) and [CMS Immunizations](#) web pages for information on coverage and billing.
- [HealthMap Vaccine Finder](#) – a free, online service where users can find nearby locations offering flu vaccines as well as other vaccines for adults.
- The [CDC's](#) website offers a variety of provider resources for the 2012-2013 flu season.

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